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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

SEARS HOLDINGS CORPORATION,
et al.,¹

Debtors.

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

LIMITED OBJECTION OF VM INNOVATIONS, INC.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

**NOTICE REGARDING INITIAL DISTRIBUTION PURSUANT TO
ADMINISTRATIVE EXPENSE CLAIMS CONSENT PROGRAM**

VM Innovations, Inc. (“VMI”), by its undersigned counsel, O’Neill Heinrich Damkroger Bergmeyer & Shultz PC LLO, in response to Debtors’ *Notice Regarding Initial Distribution Pursuant to Administrative Expense Claims Consent Program* filed on December 11, 2019 (the “Notice”) [Dkt. No. 6186] respectfully states as follows:

1. On October 15, 2019, the Court entered the *Order (I) Confirming Modified Second Amended Joint Chapter 11 Plan of Sears Holdings Corporation and Its Affiliated Debtors and (II) Granting Related Relief* [Dkt. No. 5370] (the “Confirmation Order”) approving, among other things, the Administrative Expense Claims Consent Program.

2. On November 15, 2019, VMI timely cast an Opt-In Ballot. *See* Sears Administrative Expense Consent Program Ballot ID No. 182353801040869 (attached hereto as **Exhibit A**).

3. On November 16, 2019, VMI received an email from M-III Partners, the Restructuring Professional for the Debtors, acknowledging its Opt-In Ballot and requesting supporting documentation in order to reconcile the amounts claimed. *See* November 13, 2019 email from M-III Partners to VMI (attached hereto as **Exhibit B**).

4. On December 4, 2019, VMI timely responded to the email from M-III Partners and provided all supporting information regarding its administrative expense claim in the amount of \$68,625.20. *See* December 4, 2019 email from VMI’s counsel to M-III Partners (attached hereto as **Exhibit C**).

5. On December 11, 2019, the Debtors filed the Initial Distribution Notice [Dkt. No. 6186], wherein they listed those creditors who would participate in the initial cash distribution pursuant to the Administrative Expense Claims Consent Program (the “Initial Distribution Participants”). Despite filing a timely Opt-In Ballot and providing all supporting information, VMI was not included as an Initial Distribution Participant.

6. On December 13, 2019, the Court held an Omnibus Hearing to consider the Initial Distribution Notice.

7. At no time prior to receiving the Initial Distribution Notice did VMI or its undersigned counsel receive requests for additional information, notice of a dispute or other communication indicating that VMI would not be included as an Initial Distribution Participant.

8. Accordingly, VMI files this Limited Objection to the Notice to the extent that it does not include VMI as an Initial Distribution Participant with respect to the VMI Administrative Claim.

9. To the extent not inconsistent with the arguments made herein, VMI hereby joins in all other objections raised by similarly situated creditors to the Notice and incorporates all of the arguments raised by other similarly situated creditors as if set forth in detail herein.

10. VMI expressly reserves all of its rights, claims, counterclaims, defenses and remedies under the Bankruptcy Code and other applicable law. VMI further reserves the right to assert additional claims against the Debtors of any nature and to amend, modify and/or supplement this Limited Objection.

WHEREFORE, VMI respectfully requests that this Court enter an order compelling and directing the Debtors to add VMI as an Initial Distribution Participant and granting such other and further relief as is just and proper.

Dated: December 19, 2019

Respectfully submitted,

/s/Kramer L. Lyons
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic means via ECF transmission or BNC noticing to all Pacer System participants in these bankruptcy cases, on the 19th day of December, 2019.

/s/Kramer L. Lyons
Kramer L. Lyons